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THE Marketing and Transportation SITUATION

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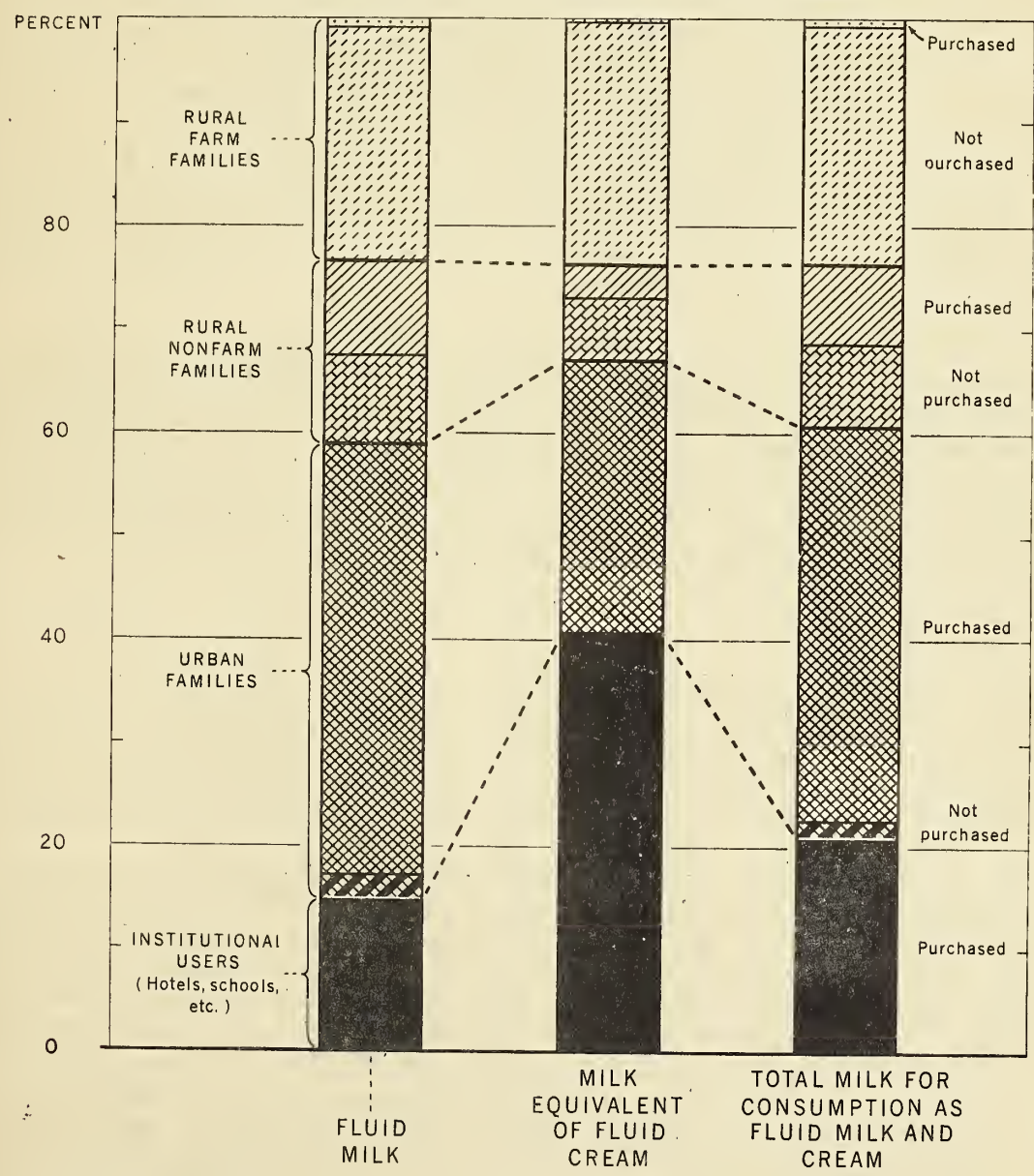
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

MTS-17



JANUARY 1944

CHANNELS OF FLUID MILK AND CREAM CONSUMPTION, UNITED STATES, 1942



This chart shows the percentage breakdown of fluid milk and cream consumption by consumer group and mode of acquisition in 1942.

MARKETING AND TRANSPORTATION SITUATION

JANUARY 1944

CURRENT DEVELOPMENTS IN TRANSPORTATION

Rail transportation

Railroads started the new year with freight-car loadings about 9 percent higher than in the corresponding week of 1943. Carloadings are usually at their lowest level at the end of one year and the beginning of another. In spite of this fact, the railroads are now going through a difficult period, partly because of cold-weather operating difficulties.

From now to the usual peak of freight carloadings next fall, the trend of rail traffic will be upward. Difficulties of movement should ease considerably as winter passes. For the entire year of 1944 the railroads expect from 3 to 5 percent more ton-miles of freight and from 10 to 20 percent more passenger miles than in 1943. The railroads estimate that between 40,000 and 50,000 new freight cars, about 1,200 new locomotives, and some new passenger equipment will be needed to care for these increases. Arrangements have been made for some of the needed equipment to be built in 1944, but a considerable part has to await construction facilities which will not be available for domestic production until later in the year. Therefore, the larger part of the new equipment will not be available for the difficult winter period immediately ahead.

Because of the strain of winter rail traffic, the Office of Defense Transportation asks railroads and shippers for a 10-percent increase in rail-transportation efficiency. If the aim is substantially achieved, the railroads may get through the winter without detriment to the traffic served and with increased credit for all who are taking part in the extraordinary effort. Apart from the question of rail facilities, there are the problems of labor required to load, transport, unload, and otherwise service the great volume of traffic in prospect for 1944.

Motortrucking

Efforts of Government agencies to solve the shortages of manpower and industrial facilities highlight the motortruck news this month. The War Production Board is expediting its new schedule of 88,000 truck power units for domestic use in 1944. An increase of 7,000 units over the previous 81,000 has been made possible by a cutback in lend-lease requirements.

The WPB and the Office of Defense Transportation are fostering the production of parts for civilian trucks, under a new AA-1 priority rating. Here, too, facilities for manufacture form the chief problem; increasing quantities of metals are being released for domestic truck parts. A plan whereby truckers who are eligible for new parts turn in worn parts for rebuilding by manufacturers is now being considered. The output of synthetic tires for truck use is hampered by the lack of facilities and is not expected to reach significant volume till later in the year. Conservation of existing tire carcasses is emphasized by all Government agencies. The CPA has removed restrictions on truck-tire recaps, and plans to use its files on recaps as one factor in reassigning quotas of new tires in different areas.

It is generally agreed that the truck problem in 1944 will be a "tight squeeze." Farmers and other users of truck transport are urged to devise further pooling and conservation methods, so that vital food products can continue to move in their normal channels.

CHANNELS OF FLUID MILK AND CREAM CONSUMPTION IN 1942 - A PRELIMINARY ESTIMATE

Rationing, price control and other wartime programs have focused attention on channels of consumption. How much fluid milk and cream is purchased by farm, rural nonfarm, and urban consumers? How much is consumed on the home farms? How much is purchased by consumers directly from farmers and retail stores? How much passes through such institutions as restaurants, hotels, and cafeterias? Through hospitals, schools, etc.? Answers to some of these questions are indicated in this report which presents some estimates of the flow of fluid milk and cream in specified channels during 1942. A similar approach may be applicable to other commodities.

In the spring of 1942 a cooperative study under the general title "Family Spending and Saving in Wartime" was made by the Bureau of Human Nutrition and Home Economics of the Department of Agriculture and the Bureau of Labor Statistics of the Department of Labor. 1/ In this study a housekeeping family is defined as a person or group of persons eating under one roof. The number of persons included in the family unit is on a basis of three meals per person per day: for example, a person who has two meals a day at home and one outside of the home is considered two-thirds of a person in a housekeeping family. Data compiled from the interviews with the housekeeping families in the sample were used in estimating the milk and cream "purchased" and "not purchased" by rural farm, rural nonfarm, and urban housekeeping families.

It should be noted that the term "farm family", as defined, includes only those housekeeping families or individuals engaged in agricultural activities. It does not include the families of farm employees who keep house separately. These are defined as "rural nonfarm". Furthermore, the milk and milk equivalent of cream consumed but not purchased includes milk received by gift and milk acquired in any way other than by purchase. Therefore, these data do not agree with the estimate of "milk and cream consumed on farms where produced" made by the Bureau of Agricultural Economics. In fact, the only figure that should agree is the grand total of fluid milk and the milk equivalent of fluid cream consumed.

The Office of Price Administration required institutional users 2/ to furnish information regarding their use of various foodstuffs, including dairy products, for December 1942. Out of a total registration of 380,000 such institutions, data for 326,000 were reported by local ration boards in time for tabulation. Because the data from entire boards were missing, (not just data from individual users) it was assumed that the missing reports were similar to those in the sample tabulated. Therefore, a preliminary adjustment factor was used (380,000 divided by 326,000) to allow roughly for the missing data. It was also assumed that in some cases institutions failed to report their use of milk and cream or filed inadequate estimates. An informal guess was that at least 20 percent should be added to the requirements of milk and cream for institutional use. This adjustment was also made.

1/ See Miscellaneous Publication No. 520 of the U. S. Dept. of Agr.: The publication of the Department of Labor is not yet available. The definitions of a family used in this survey are used in this report.

2/ The OPA category "institutions" comprises service establishments such as restaurants, hotel dining rooms, cafeterias, drug-store food counters, etc., and such establishments as schools and hospitals. However, a certain quantity of milk has also been included here as used in prisons, asylums, reformatories, etc.

The cream used in institutions was reported on the basis of 20 percent butterfat (on November 25, 1942 an order, WFB-M259, became effective prohibiting the sale of heavy cream). However, a substantial quantity of milk equivalent was included to represent the heavy cream that was used in the 11 months during which its sale was permitted. It would appear, therefore, that the total milk equivalent of fluid cream for institutional use may be too high, since some 20-percent cream may have been substituted for heavy cream.

The next step was to deduct the total institutional use of fluid milk and cream from the Bureau of Agricultural Economics estimate of total fluid milk and cream consumed. The difference was assumed to be the total milk and cream consumed in homes. This total was then broken down according to the consumption patterns provided by the study "Family Spending and Saving in Wartime."

Quantitative estimates of the milk and cream flow to the four major categories of consumers in 1942 are found in table 1. Various percentage breakdowns are given in tables 2 and 3. Out of the total milk and cream purchased by rural farm families (table 2) only 11.6 percent was cream, while urban families purchased 16.3 percent and institutional users 46 percent. Table 3 indicates that the total institutional use of milk and the milk equivalent of fluid cream is more than half as great as the total consumed by urban families within the homes.

This proportion is considerably higher than general opinion might lead one to expect. For this reason, and because the estimates are to be extended back to 1935, constructive criticisms of the estimating method and assumptions used would be appreciated.

Table 1.- Consumption of fluid milk and the milk equivalent of fluid cream, estimated for 1942 by groups, and modes of acquisition

Item	Fluid milk	Fluid cream (24.6 percent butterfat as milk equivalent)	Total fluid milk and milk equivalent of fluid cream
	Million pounds	Million pounds	Million pounds
Rural farm families -			
Purchased	308.6	40.6	349.2
Not purchased	8,634.0	2,722.6	11,356.6
Total	8,942.6	2,763.2	11,705.8
Rural nonfarm families-			
Purchased	3,457.2	385.5	3,842.7
Not purchased	3,242.1	695.8	3,937.9
Total	6,699.3	1,081.3	7,780.6
Urban families -			
Purchased	15,707.6	3,067.1	18,774.7
Not purchased	848.5	-	848.5
Total	16,556.1	3,067.1	19,623.2
Total families -			
Purchased	19,473.4	3,493.2	22,966.6
Not purchased	12,724.6	3,418.4	16,143.0
Total	32,198.0	6,911.6	39,109.6
Institutional users, hotels, schools, etc.			
Purchased	5,573.5	1/ 4,749.9	10,323.4
Not purchased	-	-	-
Total	5,573.5	4,749.9	10,323.4
Total in homes and institutions -			
Purchased	25,046.9	8,243.1	33,290.0
Not purchased	12,724.6	3,418.4	16,143.0
Aggregate consumption	37,771.5	11,661.5	49,433.0

1/ 26.3 percent butterfat; and 1,493,000,000 pounds milk equivalent of heavy cream for the first 11 months of 1942.

Table 2.- Consumption of fluid milk and the milk equivalent of fluid cream in 1942 as percentages of their sum, by groups and modes of acquisition

Item	Fluid milk	Milk equivalent of fluid cream	Totals
	Percent	Percent	Percent
Rural farm families -			
Purchased	88.4	11.6	100.0
Not purchased	76.0	24.0	100.0
Consumed	76.4	23.6	100.0
Rural nonfarm families -			
Purchased	90.0	10.0	100.0
Not purchased	82.3	17.7	100.0
Consumed	86.1	13.9	100.0
Urban families -			
Purchased	83.7	16.3	100.0
Not purchased	100.0	-	100.0
Consumed	84.4	15.6	100.0
Total families -			
Purchased	84.8	15.2	100.0
Not purchased	78.8	21.2	100.0
Consumed	82.3	17.7	100.0
Institutional users, hotels, schools, etc. -			
Purchased	54.0	46.0	100.0
Not purchased	-	-	-
Consumed	54.0	46.0	100.0
Total in homes and institutions -			
Purchased	75.2	24.8	100.0
Not purchased	78.8	21.2	100.0
Consumed	76.4	23.6	100.0

Table 3.- Consumption of fluid milk by groups and modes of acquisition in 1942 as percentages of their sum, with the milk equivalent of fluid cream and of milk and cream together, shown in the same manner

Item	Milk		Totals
	Fluid milk	equivalent of fluid cream	
	Percent	Percent	Percent
Rural farm families -			
Purchased	0.8	0.3	0.7
Not purchased	22.9	23.4	23.0
Consumed	23.7	23.7	23.7
Rural nonfarm families -			
Purchased	9.1	3.3	7.8
Not purchased	8.6	6.0	7.9
Consumed	17.7	9.3	15.7
Urban families -			
Purchased	41.6	26.3	38.0
Not purchased	2.2	0.0	1.7
Consumed	43.8	26.3	39.7
Total families -			
Purchased	51.5	30.0	46.5
Not purchased	33.7	29.3	32.6
Consumed	85.2	59.3	79.1
Institutional users, hotels, schools, etc. -			
Purchased	14.8	40.7	20.9
Not purchased	-	-	-
Consumed	14.8	40.7	20.9
Totals in homes and institutions -			
Purchased	66.3	70.7	67.3
Not purchased	33.7	29.3	32.7
Consumed	100.0	100.0	100.0

FARM-RETAIL PRICE SPREADS, DECEMBER 1943

The marketing margin for quantities of important farm products representing annual purchases of a typical workingman's family declined slightly from \$184 in November to \$182 in December 1943. This decline in the marketing margin was roughly equivalent to the increase in the amount of Government marketing payments to food marketing agencies occurring between November and December. The decline coincided with an increase in payments to farmers for equivalent produce of \$256 in November to \$258 in December, while the retail cost of these foods remained unchanged at \$440 for the third consecutive month.

Charges for marketing the products included in the family food basket exceed the marketing margin by the amount of Government marketing payments made to processors, local dealers, and other marketing agencies. These payments totaled about \$15 in December. Adding the \$15 in Government payments to the \$182 shown by the marketing margin makes a total charge for marketing a food basket of \$197 in December 1943. This December level of marketing charges is practically the same as the November total marketing margin plus Government payments, and it exceeds the 1935-39 average of \$191 by 3 percent.

Farmer's share of food dollar at record high of 59 cents

The farmer's share of the consumer's food dollar in mid-December amounted to 59 cents--the highest on record since the early months of 1918, when farm prices were out-running the rise in retail prices. The farmer's share had held at 58 cents during the 4 months, August through November 1943. The recent high levels of the farmer's share have been due in large part to the Government marketing payments. If the \$15 in marketing payments in December were added to the retail cost of the food basket, with no change in payments to farmers, the farmer's share would be cut to 57 cents. In December of 1942 the farmer's share was 55 cents, and the 5-year pre-war average was 42 cents.

Prices received by food producers rise slightly

The increase from November to December of \$2 in payments to farmers for produce contained in the food basket amounted to an increase of less than 1 percent, but was the greatest increase that occurred during the last 6 months of 1943. Prices received by farmers for food products have remained remarkably stable during the last half of 1943, and in December they reflected a decline of about 1 percent from the high levels for the year reached in April and May.

Retail prices of farm food products hold at recent levels

Retail cost to consumers of the family food basket, amounting to \$440 in December, was 7 percent below the 1943 high of \$475 reached in May, before food price reductions were put into effect with the help of Government payments. The retail cost in December 1943 exceeded the cost for December 1942 by 4 percent, and was 33 percent above the pre-war 1935-39 average.

Smaller marketing margin for wheat products

Government payments to processors of wheat and wheat flour became effective in December, but the resulting decline in the marketing margin for the quantities of flour and bakery products included in the family food basket was not so great as the amount of Government payments on these quantities. Trade comment and wholesale price statistics indicated, however, that the wheat milling margin had been declining in late 1943, before the Government payments were begun.

Further food price declines indicated for January

The weekly index numbers published by the U. S. Bureau of Labor Statistics show a decline in the level of wholesale food prices of more than 1 percent in the first week of December 1943 to the first week of January 1944, and show a slight decline over the same period in the prices of unprocessed farm products. Wholesale prices of hides and leather products rose slightly, while prices of textile products showed no change.

Most commodity margins declined in December

Of the 22 commodities and commodity groups shown on a monthly basis in table 9, 17 showed some decline in the marketing margin from November to December 1943, with the greatest drop amounting to 9 percent for oranges and apples. Two commodities showed no change in margin. Margin increases amounted to 16 percent for sweetpotatoes, 4 percent for hens, and 2 percent for pork. Increases in retail price ranged up to 12 percent for sweetpotatoes, and the greatest decreases were 5 percent for eggs, oranges, and peanut butter.

FARM-RETAIL PRICE SPREADS, ANNUAL REVIEW, 1943

1943 food marketing charges 5 percent above pre-war

Estimates of the 1943 average marketing margins for food products are shown by commodities in table 4, page 10, as well as comparisons for the year 1942 and the pre-war 1935-39 average. For 58 foods combined the marketing margin of \$192 in 1943 compares with \$189 in 1942 and the pre-war average of \$191. However, in 1943 charges for marketing food products exceeded the marketing margin by the amount of Government payments to marketing agencies, averaging about \$7 for the year 1943 on the quantities of products included in the 58 foods. This indicates 1943 marketing charges of \$199 for comparison with \$189 in 1942. Inclusion of processing taxes in 1935 was responsible for inflating the 1935-39 average marketing margin above normal charges for marketing by about \$2 for the 58 foods. After adjustment for Government marketing payments in 1943 and the processing taxes in 1935, comparisons show 1942 marketing charges identical with the pre-war 5-year average and 1943 marketing charges exceeding these levels by \$10, or 5 percent for the basket of 58 foods.

1943 farmer's share of retail dollar highest since 1919

For the year 1943 the farmer's share of the retail dollar spent for farm food products amounted to 57 cents compared with 53 cents in 1942 and the 1935-39 average of 42 cents. This share is the highest on record since 1919 and was exceeded only in the years 1917 and 1918. The highest annual average share on record since 1913 was 60 cents in 1917 and the lowest level was reached at 33 cents in 1932.

Table 4.—Farm-to-retail price spreads for food products, 1935-39 average and annual averages 1942 and 1943

Retail commodity	Unit		Farm value			Retail value			Actual margin			Farm value as a percentage of retail value		
	Farm equivalent	Retail	1935-39 average	1942	1943	1935-39 average	1942	1943	1935-39 average	1942	1943	1935-39 average	1942	1943
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent	Percent	Percent
Pork products.....	1.90 lb. live hog	1 lb. composites	15.7	24.9	26.3	25.3	29.2	30.3	9.6	4.3	4.0	62	85	87
Lamb products.....	2.16 lb. live lamb	1 lb. composites	16.2	24.9	28.2	27.2	32.8	36.4	11.0	7.9	8.2	60	76	77
Dairy products.....	100 lb. milk	Composites products from 100 lb. milk	146.02	209.3	254.9	324.0	405.7	432.2	178.0	156.4	177.3	45	152	59
Hens	1.11 lb. live hen	1 lb. dressed	16.5	20.9	27.0	31.7	39.1	44.9	15.2	18.2	17.9	52	53	60
Eggs	1 dozen	1 dozen	21.7	31.4	38.7	36.0	48.4	57.2	14.3	17.0	18.5	60	65	68
Bread, white .....	.97 lb. wheat	1 lb.	1.3	1.6	2.1	8.2	8.6	8.8	6.9	7.0	6.7	16	19	24
Bread, rye .....	.39 lb. rye and .64 lb. wheat	1 lb.	1.3	1.5	1.9	9.1	9.2	9.4	7.8	7.7	7.5	14	16	20
Bread, whole wheat.....	.92 lb. wheat	1 lb.	1.3	1.6	2.0	9.3	9.9	10.2	8.0	8.3	8.2	14	16	20
Soda crackers.....	1.06 lb. wheat	1 lb.	1.5	1.8	2.3	16.9	16.4	18.0	15.4	14.6	15.7	9	11	13
Flour, white	1.41 lb. wheat	1 lb.	2.0	2.4	3.0	4.5	5.3	6.1	2.5	2.9	3.1	44	45	49
Corn meal	1.5 lb. corn	1 lb.	1.8	2.1	2.8	5.0	4.8	5.6	3.2	2.7	2.8	36	44	50
Rollod oats	1.78 lb. oats	1 lb.	1.9	2.6	3.6	7.4	8.6	8.7	5.5	6.0	5.1	26	30	41
Corn flakes	1.275 lb. corn	8 oz. package	1.6	1.8	2.4	7.8	7.1	6.8	6.2	5.3	4.4	21	25	35
Wheat cereal.....	2.065 lb. wheat	28-oz. package	2.9	3.5	4.4	24.3	24.0	23.6	21.4	20.5	19.2	12	15	19
Rice	1.51 lb. rough rice	1 lb.	2.5	5.5	5.9	8.2	12.1	12.7	5.7	6.6	6.8	30	45	46
Macaroni	1.72 lb. durum wheat	1 lb.	2.3	2.7	3.5	15.0	14.2	15.2	12.7	11.5	11.7	15	19	23
Apples	1/48 bushel	1 lb.	1.9	2.8	4.6	5.5	6.9	10.8	3.6	4.1	6.2	35	41	43
Oranges	1/17 box	1 dozen	9.3	11.0	15.4	31.1	35.7	44.3	22.2	24.7	28.9	30	31	35
Beans, green	1/30 bushel	1 lb.	3.5	15.6	7.6	11.4	14.9	18.7	7.9	19.3	11.1	31	138	41
Cabbage	1 lb.	1 lb.	0.8	0.8	2.3	3.8	4.3	7.1	3.0	3.5	4.8	21	19	32
Carrots	1/55 bushel	1 bunch	1.0	12.2	2.5	5.4	7.4	8.8	4.4	15.2	6.3	19	130	28
Lettuce	1/48 crate	1 head	3.1	5.3	6.9	8.8	12.0	14.0	5.7	6.7	7.1	35	44	49
Onions	1 lb.	1 lb.	1.1	12.0	3.2	4.2	5.9	7.5	3.1	13.9	4.3	26	134	43
Potatoes, white	1 lb.	1 lb.	1.2	1.8	2.5	2.5	3.4	4.6	1.3	1.6	2.1	48	53	54
Potatoes, sweet	1/55 bushel	1 lb.	1.5	2.0	3.6	4.4	5.8	11.7	2.9	3.8	8.1	34	34	31
Spinach	1/18 bushel	1 lb.	2.3	13.4	5.2	7.1	9.0	11.8	4.8	15.6	6.6	32	138	44
Peaches, canned	1.87 lb. clingstone	No. 2-1/2 can	2.4	15.0	5.8	18.7	23.6	26.4	16.3	18.6	20.6	13	121	22
Green beans, canned.....	.88 lb.	No. 2 can	2.0	2.8	3.7	11.4	13.7	14.8	9.4	10.9	11.1	18	20	25
Corn, canned	3.2 lb. sweet corn	No. 2 can	1.6	1.8	2.5	11.9	13.0	14.1	10.3	11.2	11.6	13	14	18
Peas, canned .....	.877 lb.	No. 2 can	2.2	2.5	3.2	15.6	15.2	15.0	13.4	12.7	11.8	14	16	21
Tomatoes, canned	2.3 lb.	No. 2 can	1.4	2.0	2.6	9.3	11.7	12.6	7.9	9.7	10.0	15	17	21
Prunes	1 lb.	1 lb.	3.0	15.5	8.2	9.9	13.3	16.6	6.9	17.8	8.4	30	141	49
Navy beans	1 lb. dry beans	1 lb.	3.5	4.7	5.7	6.9	9.0	10.1	3.4	4.3	4.4	51	52	56
Beet sugar	6.9 lb. sugar beets for 1942	1 lb.	1.8	2.2	2.5	5.8	7.2	7.2	4.0	5.0	4.7	31	31	35
	7.2 lb. sugar beets for 1943													
Cane sugar	13.1 lb. sugarcane for 1942	1 lb.	2.0	2.6	2.7	5.5	6.8	6.8	3.5	4.2	.1	36	38	40
	12.5 lb. sugarcane for 1943													
Peanut butter	1.73 lb. peanuts	1 lb.	6.1	10.1	12.0	19.3	26.0	32.2	13.2	15.9	20.2	32	39	37
58 foods combined	Annual family consumption	Annual family consumption	\$141	\$209	\$255	\$332	\$398	\$447	\$191	\$189	\$192	42	53	57

Retail prices from U. S. Bureau of Labor Statistics.

1/ Revised.

2/ Preliminary.

1943 food marketing charges average low in relation to prices

Retail prices of farm food products for the year 1943 averaged 35 percent above pre-war 1935-39 levels, while prices paid farmers for equivalent produce averaged 81 percent higher than pre-war. In contrast, the marketing margin for 1943 was less than 1 percent higher than pre-war, and total marketing charges including Government payments to marketing agencies were 5 percent higher than the level of 1935-39. The 1943 marketing charges are abnormally low when compared with relatively high levels of food prices at the farm and in retail stores. Relationships existing between the retail value, farm value, and marketing margin for the food basket indicate that normally marketing charges fluctuate with changes in price levels at the farm and at retail, but reflect a smaller degree of variation than prices. During the last 15 years there has been a downward trend in charges for marketing products after adjusting for the level of prices. However, past relationships show that normally the 81-percent rise in the level of farm prices representing the increase over pre-war would be associated with about 25 percent increase in marketing charges. If marketing charges had followed this pattern into 1943 they would have reached near \$240, or 20 percent above the \$199 actually recorded for the year, and the retail cost of the basket of 58 foods would have been \$487, about 9 percent higher than the actual retail cost for 1943.

Food retailer's 1943 margins near pre-war levels

Comparison of price trends in wholesale markets with the retail cost of the family farm-product food basket indicates that the spread between wholesale and retail prices for 1943 averaged about the same percentage of retail prices as for the 5 years 1935-39, while the percentage spread covering operations of marketing agencies preceding retailers averaged substantially lower than pre-war, even when allowance was made for the amount of Government payments made to these agencies in 1943. The wholesale-to-retail spread reached a high in May of 1943 before the program to restore retail prices to levels of September 15, 1942 was put into effect. These price comparisons indicate that most of the price reduction, in excess of compensating Government payments to marketing agencies other than retailers, was borne by the wholesale-to-retail margin. Apparently most of this margin decline occurred in the fresh fruit and vegetable group.

Charges for marketing fresh fruits and vegetables sharply higher in 1943

Although charges for marketing farm food products as a whole showed only a moderate rise for 1943 over 1942, charges for marketing the fresh fruit and vegetable group included in the family food basket rose from \$36 for 1942 to \$48 for 1943, while the cost of this group to consumers rose from \$64 to \$89 and payments to farm producers from \$28 to \$41. Marketing charges for this group reached a high of \$63 in May 1943 dropping to \$43 at the end of the year following the price regulation action by the Office of Price Administration. The \$12 increase from 1942 to 1943 in the marketing charges for the group was slightly greater than the \$10 increase in total marketing charges for all products included in the food basket. The farmer's share of the consumer's dollar spent for fresh fruits and vegetables was 46 cents in 1943 compared with 44 cents in 1942.

Farm values and marketing margins for pork and lamb products shown in table 4 do not include any allowance for values of byproducts and minor products obtained in slaughtering and processing, nor has adjustment been made for the Government payments to processors which began in June 1943. Combining all meat products including beef, pork, and lamb included in the family food basket, the 1943 retail cost amounts to \$115. After allowing for plant-sales value of byproducts and minor products, equivalent payments to farmers averaged \$81 in 1943 compared to \$74 in 1942 and the 1935-39 average of \$50. Retail cost of these meats amounted to \$110 in 1942 and averaged \$95 over the 5 pre-war years. The marketing margin for the meat group was \$34 for 1943. Charges for marketing this group in 1943 exceeded the marketing margin by \$4 to \$5 representing Government payments to slaughtering establishments, making a total charge for marketing of about \$38 for 1943 compared with \$37 in 1942 and \$44, the pre-war average. The marketing margin for meat products during the fall of 1943 dropped below the high levels of May and June by somewhat more than the amount of Government payments to processors, but rose moderately from October into December. For the year 1943, after adjustment for byproduct value, the farmer's share of the retail dollar for beef products amounted to 72 cents, for pork products 70 cents, and for lamb 60 cents.

Farmer's share of retail dollar in 1943 higher than 1942 for most commodities

The farmer's share of the consumer's dollar averaged 57 cents for all foods in 1943, and 53 cents in 1942. The farmer's share was higher in 1943 than 1942 for nearly all commodities (table 4), excepting only carrots, sweetpotatoes, and peanut butter. In 1943 the farmer's share ranged from a low of 13 cents for soda crackers to a high of 72 cents for beef products (after allowing for values of byproducts). For the pre-war period 1935-39 the range in the farmer's share was from 9 cents for soda crackers to 60 cents for eggs.

Table 5.- Annual family purchases of 58 foods 1/

Year and month	Cost at retail		Paid to farmers		Marketing margin		Farmer's	
	Percent-		Percent-		Percent-		share of	
	age of		age of		age of		retail	
	Dollars	1935-39	Dollars	1935-39	Dollars	1935-39	value	
		average		average		average		Percent
1913-15 average	236	71	135	96	121	63	53	
1920	314	155	272	193	242	127	53	
1929	415	125	195	138	220	115	47	
1935-39 average	332	100	141	100	191	100	42	
1941	342	103	164	116	178	93	48	
1942	398	120	209	148	189	99	53	
1943	447	135	255	181	192	101	57	
1942 - Dec....	423	127	234	166	189	99	55	
1943 - Jan....	430	130	241	171	189	99	56	
Feb....	432	130	246	174	186	97	57	
Mar....	448	135	257	182	191	100	57	
Apr....	462	139	261	185	201	105	56	
May	475	143	261	185	214	112	55	
June....	470	142	260	184	210	110	55	
July....	451	136	255	181	196	103	57	
Aug....	440	133	255	181	185	97	58	
Sept....	438	132	255	181	183	96	58	
Oct....	440	133	256	182	184	96	58	
Nov....	440	133	256	182	184	96	58	
Dec....	440	133	258	183	182	95	59	

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family. Retail price average for 56 cities from U. S. Bureau of Labor Statistics.

Table 6.- Food cost and expenditures compared with total income per person, United States average 1/

Year and month	Food expenditures				Cost to consumer of fixed			
	As percentage of				quantities of foods repre-			
	expendi-				senting average annual con-			
	tures				sumption per person, 1935-39			
	for	consumer:	Actual:	for	for	Actual:	Total	penditures
	Total	goods &	income:	goods	Actual:	income:	income:	for goods &
	income:	services:	income:	and	income:	income:	income:	services
				services				
	Dolls.	Dolls.	Dolls.	Pct.	Pct.	Dolls.	Pct.	Pct.
1935-39 average:	520	456	113	22	25	113	22	25
1941	692	560	140	20	25	120	17	21
1942	857	612	176	21	29	143	17	23
Annual rates by months, seasonally adjusted								
1943 - Jan....	973	660	196	20	30	155	16	23
Apr....	1,023	668	193	19	29	166	16	25
July....	1,048	709	217	21	31	164	16	23
Oct. 2/1,069		3/707	3/217	20	31	163	15	23
Nov. 3/1,085						3/163	15	

1/ See notes in original table p.3, Apr-May issue.

2/ Revised.

3/ Preliminary.

Table 7.-Price spreads between the farmer and the consumer - food products, December 1943

Retail commodity	Table No.	Retail		Farm equivalent		Farm value	
		Unit	Price	Quantity	Value	Actual margin	as percent of retail price
	1/		Cents		Cents	Cents	Percent
Pork products	11	1 lb.prin. pork products	28.9	1.90 lb.live hog	243	4.6	84
Dairy products	12	100 lb. milk equivalent	425.9	100 lb. milk equivalent	2/268.6	157.3	63
Hens	13	1 lb.	44.7	1.11 lb.	27.1	17.6	61
Eggs	14	1 doz.	63.9	1 doz.	44.9	19.0	70
White flour	15	1 lb.	6.3	1.41 lb.wheat	3.4	2.9	54
White bread	16	1 lb.	8.8	.97 lb.wheat	2.3	6.5	26
Corn meal	17	1 lb.	5.9	1.5 lb. corn	3.0	2.9	51
Rolled oats	18	1 lb.	8.7	1.78 lb.oats	4.3	4.4	49
Corn flakes	19	8-oz. pkg.	6.6	1.275 lb.corn	2.5	4.1	38
Wheat cereal	20	28-oz. pkg.	23.3	2.065 lb. wheat	4.9	18.4	21
Rice	21	1 lb.	12.7	1.51 lb.rough rice	6.1	6.6	48
Navy beans	22	1 lb.	10.5	1 lb.dry beans	6.1	4.4	58
Oranges	24	1 doz.	43.4	1/17 box	15.1	28.3	35
Potatoes	25	1 lb.	4.2	1 lb.	2.3	1.9	55
Apples	35	1 lb.	10.5	1 lb.	5.5	5.0	52
Lamb products	37	1 lb. prin. lamb cuts	35.9	2.16 lb. live lamb	26.1	9.8	73
Sweetpotatoes	38	1 lb.	10.0	1 lb.	3.4	6.6	34
Rye bread	39	1 lb.	9.6	.39 lb.rye & .64 lb. wheat	2.3	7.3	24
Whole wh.bread	40	1 lb.	10.2	.92 lb. wheat	2.2	8.0	22
Macaroni	41	1 lb.	15.6	1.72 lb.durum wh.	4.0	11.6	26
Soda crackers	42	1 lb.	18.7	1.085 lb.wheat	2.6	16.1	14
Peanut butter	44	1 lb.	29.6	1.73 lb.peanuts	12.3	17.3	42
58 foods combined	8	Annual family consumption	\$440	Annual family consumption	\$ 2/258	\$182	59

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.

Table 8.- Price spreads between the farmer and the consumer - food products, retail price and farm value, December 1943

Commodity	Retail unit	Retail price			Percentage change to			Farm value			Percentage change to		
		: 1935-39: Dec. : Nov. : Dec. : 1943 from-:			: Dec. : 1943 from-:			: 1935-39: Dec. : Nov. : Dec. : 1943 from-:			: Dec. : 1943 from-:		
		Average: 1942 : 1943 : 1943 :			Average: 1942 : 1943 : 1943 :			Average: 1942 : 1943 : 1943 :			Average: 1942 : 1943 : 1943 :		
		Cents	Cents	Cents	Percent	Percent	Percent	Cents	Cents	Cents	Percent	Percent	Percent
Pork products.....	1 lb. prin.pork products	25.3	30.6	29.0	28.9	- 6	1/	15.7	25.2	24.5	24.3	- 4	- 1
Dairy products.....	100 lb. milk equiv.	324.0	428.3	426.1	425.9	- 1	1/	146.0	246.8	2/267.9	268.6	+ 9	1/
Hens.....	1 lb.	31.7	43.1	44.0	44.7	+ 4	+ 2	16.5	22.8	27.0	27.1	+ 19	1/
Eggs.....	1 doz.	36.0	59.3	67.4	63.9	+ 8	- 5	21.7	39.7	47.1	44.9	+ 13	- 5
White flour.....	1 lb.	4.5	5.6	6.3	6.3	+ 12	0	2.0	2.6	3.2	3.4	+ 31	+ 6
White bread.....	1 lb.	8.2	8.6	8.8	8.8	+ 2	0	1.3	1.8	2.2	2.3	+ 28	+ 5
Corn meal.....	1 lb.	5.0	5.2	5.9	5.9	+ 13	0	1.8	2.1	2.8	3.0	+ 43	+ 7
Roll'd oats.....	1 lb.	7.4	8.8	8.7	8.7	- 1	0	1.9	2.6	4.2	4.3	+ 65	+ 2
Corn flakes.....	8-oz. pkg.	7.8	7.0	6.6	6.6	- 6	0	1.6	1.8	2.4	2.5	+ 39	+ 4
Wheat cereal.....	28-oz. pkg.	24.3	24.1	23.3	23.3	- 3	0	2.9	3.8	4.7	4.9	+ 29	+ 4
Rice.....	1 lb.	8.2	12.5	12.8	12.7	+ 2	- 1	2.5	5.4	6.1	6.1	+ 13	0
Navy beans.....	1 lb.	6.9	9.2	10.5	10.5	+ 14	0	3.5	5.1	6.1	6.1	+ 20	0
Oranges.....	1 doz.	31.5	44.0	45.7	43.4	- 1	- 5	9.3	17.3	14.6	15.1	- 13	+ 3
Potatoes.....	1 lb.	2.5	3.5	4.1	4.2	+ 20	+ 2	1.2	1.9	2.2	2.3	+ 21	+ 5
Apples.....	1 lb.	5.5	7.1	10.2	10.5	+ 48	+ 3	1.9	3.0	4.7	5.5	+ 83	+ 17
Lamb products.....	1 lb. prin. lamb cuts	27.2	35.8	35.7	35.9	1/	+ 1	16.2	27.0	25.7	26.1	- 3	+ 2
Sweet potatoes.....	1 lb.	4.4	5.8	8.9	10.0	+ 72	+ 12	1.5	2.0	3.2	3.4	+ 70	+ 6
Rye bread.....	1 lb.	9.1	9.2	9.6	9.6	+ 4	0	1.3	1.6	2.2	2.3	+ 44	+ 5
Whole wheat bread.....	1 lb.	9.3	10.0	10.2	10.2	+ 2	0	1.3	1.7	2.1	2.2	+ 29	+ 5
Macaroni.....	1 lb.	15.0	14.2	15.6	15.6	+ 10	0	2.3	2.9	3.7	4.0	+ 38	+ 8
Soda crackers.....	1 lb.	16.9	16.8	18.7	18.7	+ 11	0	1.5	2.0	2.5	2.6	+ 30	+ 4
Peanut butter.....	1 lb.	19.3	29.8	31.0	29.6	- 1	- 5	6.1	10.7	12.3	12.3	+ 15	- 0
58 foods combined.....	Annual family consumption	\$332	\$423	\$440	\$440	+ 4	0	\$141	\$234	\$256	2/258	+ 10	+ 1

Retail prices are 56-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Less than 0.5 percent.

2/ Revised.

3/ Preliminary.

Table 9.- Price spreads between the farmer and the consumer - food products, margins, and farm value as percentage of retail price, December 1943

Commodity	Retail unit	margin			Percentage			Farm value as percentage of retail price		
		:			: change to			: from-		
		:			: Dec. 1943			: Dec. 1943		
		1935-39 Av.	Dec. 1942	Nov. 1943	Dec. 1943	Dec. 1942	Nov. 1943	1935-39 Av.	Dec. 1942	Nov. 1943
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent
Pork products.....	1 lb. prin. pork	9.6	5.4	4.5	4.6	-15	+2	62	82	84
	products									
Dairy products.....	100 lb. milk equiv.	178.0	181.5	2/158.2	157.3	-13	-1	45	58	63
Hens	1 lb.	15.2	20.3	17.0	17.6	-13	+4	52	53	61
Eggs	1 doz.	14.3	19.6	20.3	19.0	-3	-6	60	67	70
White flour.....	1 lb.	2.5	3.0	3.1	2.9	-3	-46	44	46	54
White bread	1 lb.	6.9	6.8	6.6	6.5	-4	-2	16	21	26
Corn meal.....	1 lb.	3.2	3.1	3.1	2.9	-6	-6	36	40	51
Rolled oats	1 lb.	5.5	6.2	4.5	4.4	-29	-2	26	30	49
Corn flakes	8-oz. pkg.	6.2	5.2	4.2	4.1	-21	-2	21	26	38
Wheat cereal.....	28-oz. pkg.	21.4	20.3	18.6	18.4	-9	-1	12	16	21
Rice	1 lb.	5.7	7.1	6.7	6.6	-7	-1	30	43	48
Navy beans	1 lb.	3.4	4.1	4.4	4.4	+7	0	51	55	58
Oranges	1 lb.	22.2	26.7	31.1	28.3	+6	-9	30	39	35
Potatoes	1 lb.	1.3	1.6	1.9	1.9	+19	0	48	54	55
Apples	1 lb.	3.6	4.1	5.5	5.0	+22	-9	35	42	52
Lamb products.....	1 lb. prin. lamb cuts:	11.0	8.8	10.0	9.8	+11	-2	60	75	73
Sweetpotatoes.....	1 lb.	2.9	3.8	5.7	6.6	+74	+16	34	34	34
Rye bread	1 lb.	7.8	7.6	7.4	7.3	-4	-1	14	17	24
Whole wheat bread..	1 lb.	8.0	8.3	8.1	8.0	-4	-1	14	17	22
Macaroni	1 lb.	12.7	11.3	11.9	11.6	+3	-3	15	20	26
Soda crackers.....	1 lb.	15.4	14.8	16.2	16.1	+9	-1	9	12	14
Peanut butter.....	1 lb.	13.2	19.1	18.7	17.3	-9	-7	32	36	42
58 foods combined	Annual family consumption	\$191	\$189	\$184	\$182	-4	-1	42	55	59
1/Preliminary.	2/ Revised.									

Table 10.- Farm products: Indexes of prices at several levels of marketing,
1935-39 = 100

Year and month	Foods				Fibre			Whole-		
	Cost	Retail	Farm	Retail	Whole-	Farm	sale	prices	Farm	Prices
	of	of	of	of	of	of	of	of	of	paid
	living	prices	Whole-	prices	prices	prices	prices	all	prices	farm-
	city	all	prices	58	cloths	textile	cotton	farm	all	ers
	fa-	foods	2/	foods	ing	pro-	and	pro-	pro-	3/
	milies	1/		3/	1/	ducts	wool	ducts	ducts	
	1/					2/	4/	2/	3/	
1913.....	71	80	81	95	69	81	111	94	95	81
1914.....	72	82	82	97	70	77	97	94	95	80
1916.....	78	91	96	110	78	99	131	111	111	100
1918.....	108	134	151	174	128	193	281	195	190	141
1920.....	143	169	174	193	201	232	282	198	199	162
1929.....	122	132	126	138	115	127	167	138	137	123
1932.....	98	86	77	62	91	77	55	63	61	86
1935.....	98	100	106	98	97	100	109	104	102	100
1936.....	99	101	104	108	98	101	114	106	107	100
1937.....	103	105	108	113	103	107	111	114	114	105
1938.....	101	98	93	92	102	94	81	90	89	98
1939.....	99	95	89	89	100	98	85	86	88	97
1940.....	100	97	90	94	102	104	97	89	92	99
1941.....	105	105	105	116	106	119	131	108	115	105
1942.....	116	124	126	148	124	136	178	139	148	122
1943.....	124	138	135	181	130	137	190	162	177	132
1939 - Aug.	-	94	85	85	-	96	85	80	83	96
Sept.	101	98	95	95	100	161	91	90	92	98
1942 - Dec.	120	133	132	166	126	137	187	150	170	125
1943 - Jan.	121	133	133	170	126	137	189	154	174	127
Feb.	121	134	134	174	126	137	188	157	171	129
Mar.	123	137	136	182	128	137	191	162	173	129
Apr.	124	141	137	185	128	137	192	163	175	130
May	125	143	140	185	128	137	192	165	176	131
June	125	142	139	184	128	137	192	166	179	132
July	124	139	136	181	129	137	189	165	174	133
Aug.	123	137	134	181	129	137	190	163	179	133
Sept.	124	137	133	181	132	137	193	162	179	133
Oct.	124	138	133	182	133	137	193	161	180	133
Nov.	124	137	134	182	5/134	138	186	160	181	134
Dec.	124	137	134	183	135	138	190	160	185	135

- 1/ From "Changes in Cost of Living" Bureau of Labor Statistics.
- 2/ Calculated from figures of the Bureau of Labor Statistics.
- 3/ Based on figures published by the United States Department of Agriculture.
- 4/ Cotton and wool prices weighted by production in the period 1935-39.
- 5/ Revised.

Table 11.- Indexes of consumer income and of hourly earnings in marketing, 1935-39 = 100

Year and month	Nonagri- cultural	Monthly earnings per em- ployed factory worker 2/	Hourly earnings in marketing enterprises			
			Class I	Food	Food	Cotton
			steam railways	processing	marketing	pro- cessing
			3/	4/	5/	4/
1929.....	122	118	93	-	-	-
1935-39 average:	100	100	100	100	100	100
1940.....	115	111	105	110	105	106
1941.....	137	132	106	116	110	119
1942.....	169	166	119	128	120	139
1942 - Nov.	184	181	121	131	123	149
Dec.	188	183	120	133	122	149
1943 - Jan.	192	184	120	134	126	150
Feb.	195	187	123	135	127	150
Mar.	197	190	119	136	127	151
Apr.	200	193	120	136	128	151
May	202	196	120	139	129	152
June	205	196	119	140	130	152
July	208	194	119	140	130	152
Aug.	209	197	120	140	131	151
Sept. ...	211	201	121	6/ 140	132	154
Oct.	6/213	204	121	142	133	153
Nov.	7/216	7/206	-	-	-	-

1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series. 2/ Prepared in the Bureau of Agricultural Economics from data of the United States Bureau of Labor Statistics, adjusted for seasonal variation. 3/ Compiled from data published by the Interstate Commerce Commission. 4/ United States Bureau of Labor Statistics. 5/ Weighted composite of earnings in steam railways, food processing wholesaling and retailing. 6/ Revised. 7/ Preliminary estimates.

Table 12.- Cottonseed: Farm-to-mill sales price spreads and relative product values

	: Value of:	Farm :	: Farm value :	Percent of product value				
	: products:	price:	Actual:	as percent-	attributed to--			
Year and month	: per ton :	per :	margin:	age of :	: Cake :	:	:	:
	: of seed :	ton :	:	product :	: and :	Hulls :	Linters	
	: 1/ :	2/ :	:	value :	: meal :	:	:	
	: Dolls.	Doll.	Doll.	Percent	Percent	Percent	Percent	Percent
1935-39 average:	40.21	25.29	14.92	62.9	55.4	29.2	4.6	10.8
1941.....	65.04	47.65	17.39	73.3	58.2	25.9	3.0	12.9
1942.....	66.24	45.60	20.64	68.8	59.7	24.5	3.2	12.6
1943 - July....	66.68	45.36	21.32	68.0	59.2	24.8	3.4	12.6
Sept. 3/..	71.21	50.60	20.61	71.1	55.5	29.2	3.5	11.8
Oct. 3/..	71.21	51.78	19.43	72.7	55.5	29.2	3.5	11.8
Nov. 3/..	71.21	52.18	19.04	73.3	55.5	4/ 29.2	3.5	11.8
Dec. 3/..	71.21	52.24	18.97	73.4	55.5	29.2	3.5	11.8

1/ Mill product values on the basis of values reported for each season by the U.S. Bureau of the Census; interpolated and extrapolated by monthly wholesale market prices of the products. 2/ The monthly farm price is a weighted average of monthly prices received by farmers including several earlier months of farm sale to represent actual payment to farmers for seed crushed each month. 3/ Preliminary. 4/ Revised.